

APPENDIX E

Required Documentation to Support Estimated Fund Balance

Beginning in 2003-04, every board of education must have available for county superintendent review its January 2003 Board Secretary's Report and provide the below additional documentation to support its estimated current year general fund surplus balances summarized on lines 1620 through 1640 in the Recapitulation of Balances ("recap").

Required Information to Support Additional Balances Appropriated – Lines 1620 and 1630 column 2

Additional fund balance appropriated through January 31, 2003 included on line 1620 and/or amounts included on line 1630 to be appropriated between February 1 and June 30 of 2003 must be supported by a district board resolution(s) approving the appropriation, purpose(s) and amount(s).

An amount can be entered on line 1630 only if there are board resolutions that specifically cite an amount and purpose for the appropriation. All purposes must be necessary for the 2002-03 school year and therefore, cannot include purchases of textbooks, supplies, materials or other items and program costs, such as summer programs that benefit the next school year.

Board resolutions, if applicable, are to be included with the district's required budget materials for submission of the 2003-04 budget.

Required Information to Support Additional Balances Anticipated – Line 1640 column 2

To support a district's estimate of additional balances anticipated in FY 02-03 on line 1640 of recap, every district board of education must provide a review and analysis in the following three areas:

- excess revenues projected through June 30, 2003, including restricted and unrestricted local miscellaneous revenues;
 - this analysis should detail all state and local revenues included and realized to date in the district's January board secretary's report in comparison to the estimated revenues in the district's 2002-03 budget certified for taxes;
 - this should also include revenues unique to the district such as tuition revenue, investment income on bond projects that will be transferred to the general fund, and transportation fees, and be supported by prior years' miscellaneous expenditures reported on schedule J-15 of the district's CAFR;

- appropriations expected to lapse as of June 30, 2003;
 - this analysis should identify large unencumbered appropriation balances which should be included on line 1640 or if not included on line 1640 a justification for the expected expenditure by June 30, 2003;
- budgeted general fund transfers to other funds no longer needed;
 - this should include a review of budgeted transfer to food service compared to prior year contributions and prior year retained earnings balances and trend of generating net profit;
- prior year open purchase orders cancelled during the year;

County Superintendent Review

These documents will be reviewed by the county superintendent who has full authority to direct changes in the district's surplus estimates in its proposed budget.

Any additional fund balance identified in the county superintendent's review should be appropriated in the district's proposed 2003-04 budget and cannot be transferred to capital reserve or maintenance reserve.

The County Superintendent cannot approve a district's budget without district submission of the requisite board resolutions to support amounts on lines 1620 and 1630, or the analysis in the above areas for amounts on line 1640.

The County Superintendent has full authority to direct revisions to a district's recap of balances in its proposed 2003-04 budget without this requisite support and analysis.